



Health Services
LOS ANGELES COUNTY

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September 19, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT FACILITY
APPROVAL OF CHANGES TO THE ANALYZERS IN THE
CORE LABORATORY AND AUTHORIZATION OF
RELATED CONSTRUCTION COSTS
SPEC. 6550; (C.P. NO. 70787)
(First District) (3 Votes)**

**JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE OFFICER
AND THE DIRECTOR OF PUBLIC WORKS THAT YOUR BOARD:**

1. Find that the recommended changes to the project are categorically exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines, Section 15301 (a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.
2. Approve the incorporation of 11 various analyzers into the current robotic line in the Core Lab of the Diagnostic and Treatment Building at an estimated cost of \$500,000. The amount includes \$400,000 in estimated construction costs, \$90,000 in architectural design fees, and \$10,000 in estimated miscellaneous permitting fees.
3. Approve and authorize the Director of Public Works to execute a change order to Agreement No. PW-12641 with McCarthy/Clark/ Hunt, a Joint Venture (MCH), for additional construction costs associated with modifications in the laboratory and the laboratory robotic line in an estimated not-to-exceed amount of \$400,000, as referenced in Recommendation 2 above.
4. Approve and authorize the Director of Public Works to execute a Supplemental Agreement to Agreement No. PW-11875 with Hellmuth, Obata, Kassabaum (HOK) for additional design costs associated with additional changes in the laboratory and the laboratory robotic line for a not-to-exceed amount of \$90,000, as referenced in Recommendation 2 above.

5. Approve an increase to the project budget in the amount of \$500,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

On December 20, 2005, your Board approved changes in the core laboratory located within the Diagnostic and Treatment building. That action in the amount of \$1,100,000, included \$557,000 building infrastructure changes required to support a non-proprietary robotic automated laboratory system that will allow for the incorporation of future generation equipment from multiple vendors and \$543,000 for system modifications due to construction document errors and omissions.

The original design called for the analyzers to be purchased by the Department of Health Services (DHS) in their Type 1 medical equipment budget. Since that time, DHS has completed a cost/benefit analysis that determined the best and most cost-effective way to provide an efficient, adaptable, and state-of-the-art laboratory would be to lease the analyzers using their Type 2 medical equipment budget. At the time of the previous Board action, the various analyzers to be leased by DHS had not been chosen. This change order request will provide for electrical, plumbing, and casework modifications required to accommodate the specific analyzers to be incorporated. These changes include the addition or modification of dedicated electrical circuits, deionized water, sanitary drain lines, medical gasses, laboratory casework, and seismic equipment anchorage.

CONSTRUCTION CHANGE ORDER:

On December 3, 2002, your Board awarded Contract PW-12641 to MCH for \$497,883,000 to construct the LAC+USC Medical Center Replacement Facility project. The above recommended change will require a change order(s) to the construction contract. The preliminary estimate for these construction changes is a not-to-exceed amount of \$400,000.

We have reviewed the recommendations as well as the potential cost impact with the Project Advisory Committee. This change order is considered to be outside of the scope of the project.

FISCAL IMPACT/FUNDING:

The total cost for this change is \$500,000 and has been requested in the Department's Fiscal Year 2006-07 Supplemental Budget Request. The funds will be transferred to the Replacement Facility Capital Project during the supplemental phase of the budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The recommended design and construction changes require your Board's approval because the funding for these changes will be transferred from DHS' LAC+USC Medical Center Operating budget to the Capital Project (No. 70787), and they exceed authority delegated to the Director of Public Works.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practices in patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

Consistency with DHS System Redesign

These actions meet the Department's strategic goals by improving the health care provided by DHS and enhancing the health of the residents of the County of Los Angeles.

ENVIRONMENTAL DOCUMENTATION:

On June 6, 2000, the Board certified the Environmental Impact Report/Environmental Assessment (EIR/EA) for the project. On June 7, 2000, the Federal Emergency Management Agency issued a Finding of No Significant Impact for the project and approved the EIR/EA. The recommended changes to the project do not result in any environmental impacts that are not considered in the approved EIR/EA insofar as we are only modifying interior areas of the Diagnostic and Treatment building. Further, such changes are categorically exempt under California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, Section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications include instruction to the contractor to comply with specific construction constraints from the EIR/EA which will be used to control construction generated dust, noise and traffic to within acceptable thresholds.

CONTRACTING PROCESS:

Design Services

On October 1, 1998, your Board awarded Agreement No. PW-11875 for \$45,025,000 to HOK to provide architectural design services, construction administration, and medical equipment planning for the LAC+USC Medical Center Replacement Facility. HOK has reviewed the scope of work and submitted a proposal in the not-to-exceed value of \$90,000. Public Works considers this fee to be fair and reasonable for the work involved.

Construction Cost

On December 3, 2002, your Board awarded Agreement No. PW-12641 to MCH for \$497,883,000, to construct the LAC+USC Medical Center Replacement Facility.

As a result of the recommended changes, the contractor must provide work beyond that included in the contract documents. Implementing the recommended changes now will mitigate higher construction costs at a later date due to the impact of work area availability and schedule delays. The estimated construction cost includes anticipated impact and activity acceleration costs to mitigate schedule delays. The full scope of work cannot be assessed accurately until the architect has completed the design work but it is estimated not to exceed \$400,000. If the construction cost exceeds the amount approved in these actions, we will return to your Board for approval of the final cost associated with this work.

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OSHPD charges plan check fees for reviewing and processing of change orders. These fees are estimated to be \$10,000.

Upon approval by your Board, the Executive Officer of the Board of Supervisors is requested to return three adopted copies of this letter to the Department of Health Services, Chief Administrative Office (Capital Projects), and Public Works.

Respectfully submitted,



BRUCE A. CHERNOF, M.D.
Director and Chief Medical Officer



DAVID E. JANSSEN
Chief Administrative Officer



for DONALD L. WOLFE
Director of Public Works

BAC:DEJ:DLW:CR:ame
DHS Blood Analyzers.rf.wpd

c: County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Office of Affirmative Action Compliance